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SUBJECT: INDIA DISPATCHES ENVOYS TO 54 CAPITALS, EMBASSY
HOSTS 41 NSG MEMBER REPRESENTATIVES

REF: SECSTATE 78837

11. (SBU) SUMMARY. The Embassy hosted 41 local representatives of Nuclear Suppliers Group (NSG) member countries to an information-sharing lunch on the next steps in the U.S.-India Civil Nuclear Cooperation Initiative on July 23. Comments focused on the difficulties imposed by the compressed timeline, particularly for governments that need to consult within their own coalition and with opposition parties. Some representatives raised specific concerns about the status of India's nonproliferation obligations under the Hyde Act, how these nonproliferation obligations will be reflected in the NSG exemption language, whether they apply if Congress fails to act, and about the sequencing of the implementation of India's separation plan and the commencement of nuclear commerce if all steps are completed. Several representatives confirmed the visits to their capitals of senior Indian envoys in the coming days, but several also voiced their hope that India genuinely seek to address NSG member concerns rather than merely be seen going through the motions.

12. (SBU) SUMMARY CONTINUED. The Ministry of External Affairs (MEA) provided the Embassy with a list of the 10 senior envoys who will be traveling to the capitals of the 54 IAEA and NSG member countries prior to the IAEA Board meeting on August 1. Several envoys have already begun their travels, departing immediately following the United Progressive Alliance (UPA) coalition government's victory in the July 22 confidence vote. END SUMMARY.

Embassy Hosts 41 NSG Representatives

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13. (SBU) PolCouns hosted New Delhi counterparts representing 41 Nuclear Suppliers Group (NSG) members for a lunch at the Embassy on July 23 to answer questions related to the next steps in the U.S.-India Nuclear Cooperation Initiative. Every NSG member with an Embassy in New Delhi sent a representative. PolCouns touted the benefits of the nuclear initiative and fielded questions, following closely Under Secretary Burns' comments in his roundtable with key NSG representatives in Washington on July 15 (reftel).

14. (SBU) UK PolCouns Nigel Casey led off the discussion by endorsing the necessary next steps toward the completion of the nuclear initiative. The initiative had raised important nonproliferation questions for the UK when it was first proposed, but Casey said his government has concluded -- along with IAEA director Mohammed El-Baradei -- that the initiative constitutes a "net plus" for the global

nonproliferation regime, as well as making an important contribution to addressing India's burgeoning energy needs. These are "powerful and compelling" arguments in favor of the initiative. The UK government's skepticism about Indian domestic political support for the initiative were answered "decisively" in the July 22 confidence vote. Casey said his government has urged India to address "seriously and substantially" its nonproliferation commitments contained in section 4b of the Hyde Act. The Indian government has assured the UK that it plans to begin work on the Additional Protocol "imminently," as well as on other issues. Casey said he anticipates that India will have a "compelling story to tell." In addition, India must also make every effort "not just to tell us how important it is for India" but also to address the "real concerns" of NSG members. The dispatch of senior envoys to IAEA and NSG capitals is just such an effort. Casey revealed that NSA Narayanan will visit London during the week beginning July 28. (Paragraph 9 outlines other travel by the special envoys.)

Concerns About The Timeline

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¶5. (SBU) The preponderance of concerns raised concerned the compressed timeline for consideration of the NSG exemption following the IAEA Board meeting on August 1. Netherlands PolCouns Alex Oosterwijk cautioned that like India, which took 10 months to overcome opposition from the Left, "Many of our countries also have Left parties; consultations are necessary." He pleaded for patience with the consultation process. Employing a soccer analogy, Oosterwijk said that

NEW DELHI 00002019 002 OF 003

India may have scored the equalizer in the last minute with the result of the July 22 confidence vote, but countries such as his own are now being asked to score again to secure the victory in overtime.

¶6. (SBU) German PolCouns Philipp Ackermann echoed this concern. As the NSG chair, Germany had the responsibility to consult with the various NSG members and make every effort to address their concerns with timing and process. He cautioned that despite speculation about consultative groups versus plenaries, so far no format has been decided upon. Ackermann said that Germany would like the first NSG meeting -- whatever its nature -- to take place as soon as possible, which "certainly means in August." But he cautioned that Germany's consultations with NSG capitals has revealed that several say they need additional time.

Concerns About Nonproliferation and Indian Domestic Politics

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¶7. (SBU) Several representatives raised concerns about the nonproliferation elements of the nuclear initiative or about India's willingness to follow through on its commitments. Ireland's Deputy Chief of Mission Pat Bourne was most skeptical. He said that Ireland understands the climate change argument, but that Ireland "feels a paternal attachment" to the Nuclear Non-Proliferation Treaty (NPT). He acknowledged that Ireland has known for some time that this moment could arrive, but that there remains a need to address the nuclear initiative as a political issue. He also observed that the "devil is often in the technical details." He observed that Ireland is "not entirely happy with the very accelerated timeline that has been proposed," but that Ireland "would not drag its feet." He revealed that the Prime Minister's Special Envoy Shyam Saran was meeting with the Irish Prime Minister and Foreign Minister as he spoke on July 23. He said he hoped the meeting and the remaining process would allow for issues to be addressed rather than merely to push the initiative to conclusion.

¶8. (SBU) Canada Deputy High Commissioner Adrian Norfolk inquired whether the "denigration" of the Hyde Act in public comments by Indian officials -- especially during the special

session of parliament on the confidence vote -- would cause problems with members of the U.S. Congress who supported the legislation.

Concerns About NSG Exemption Language and Sequencing

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¶9. (SBU) Denmark acting PolCouns Dorte Bech Vizard raised a concern with whether the Presidential Determination items in the Hyde Act would apply to other countries that would engage in nuclear commerce with India -- primarily Russia and France -- if such conditions were not enumerated in the NSG exemption language. She asked whether incorporating the requirements would fall foul of India's request for a "clean" exemption, or whether that request only applies to new obligations, such as signing the Comprehensive Test Ban Treaty (CTBT).

¶10. (SBU) On the margins, Chinese PolCouns Hu Zhaoming shared with PolOff a concern about the sequencing of the start of nuclear commerce following an NSG exemption and the implementation of India's separation plan. Reflecting that implementing the separation plan could take "years," he wondered when nuclear commerce could begin and how to ensure that it did not contribute to India's military program prior to completing the planned separation from its civil program. Hu said that the issue had been raised in Vienna, but that China has yet to receive a reply.

India Dispatches 10 Envoys to 54 NSG & IAEA Capitals

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¶11. (SBU) The Indian government dispatched 10 senior envoys to the 54 capitals of NSG and IAEA members in order to respond to questions and concerns about the nuclear initiative. Several departed within hours of the UPA government's victory in the July 22 confidence vote. Ministry of External Affairs (MEA) director of the Disarmament and International Security Affairs (DISA)

NEW DELHI 00002019 003 OF 003

division Amandeep Singh Gill told PolOff on July 23 that the envoys planned to complete their travel prior to the August 1 IAEA Board of Governors meeting. He listed the envoys and their destinations as follows:

-- Foreign Secretary Shiv Shankar Menon: Austria (visited on July 18), Germany (July 23), Switzerland, Pakistan (if necessary in addition to the Composite Dialogue sessions)

-- National Security Advisor M.K. Narayana: Canada, UK, France, Russia, Turkey (already visited)

-- Prime Minister's Special Envoy Shyam Saran: Japan, Australia, New Zealand, Ireland (July 23), Argentina, Brazil, Chile, Mexico, Ecuador, Bolivia

-- Union Minister of Science and Technology Kapil Sibal: Denmark, Finland, The Netherlands, Sweden

-- Minister of State in the Prime Minister's Office Prithviraj Chavan: Italy, Spain, Portugal, China

-- Minister of State for External Affairs Anand Sharma: South Africa, Nigeria, Ghana, Ethiopia, Belarus Estonia, Latvia, Lithuania

-- Special Envoy to the Middle East C.R. Gharekhan: Algeria, Morocco, Iraq, Saudi Arabia, Malta, Cyprus

-- Ministry of External Affairs Secretary for the West Nalin Surie: Belgium, Romania, Greece, Luxembourg, Croatia, Bulgaria (already visited)

-- Ministry of External Affairs Secretary for the East N. Ravi: Thailand, Philippines, South Korea, Kazakhstan, Ukraine

-- Ministry of External Affairs Secretary for Economic
Relations Hardeet Puri: Poland, Hungary, Slovakia, Slovenia,
Czech Republic

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